



January 19, 2007

HOUSE BILL No. 1253

DIGEST OF HB 1253 (Updated January 18, 2007 11:47 am - DI 103)

Citations Affected: IC 22-5.

Synopsis: Employment of illegal aliens. Provides that: (1) a person who hires or employs an individual shall verify the individual's Social Security number using the Social Security Number Verification System; and (2) a person who hires an individual shall not continue to employ the individual after learning that the individual is an illegal alien. Allows certain persons to bring civil actions against a person who hires illegal aliens. Provides that a public services contract is void if the contractor providing the services hires or employs illegal aliens unless the state or political subdivision determines that voiding the contract would be detrimental to the public interest or public property. Provides that a person who has hired an illegal alien in the previous five years is not eligible for any state or local economic development incentives.

Effective: July 1, 2007.

**Tincher, Austin, Battles,
Koch, Ruppel**

January 11, 2007, read first time and referred to Committee on Veterans Affairs and Public Safety.
January 18, 2007, amended, reported — Do Pass.

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HB 1253—LS 7426/DI 110+



January 19, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

HOUSE BILL No. 1253

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-5-1.5 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2007]:

4 **Chapter 1.5. Employment of Illegal Aliens**

5 **Sec. 1. As used in this chapter, "contractor" means a person**
6 **who has a public contract for services with a state agency or**
7 **political subdivision.**

8 **Sec. 2. As used in this chapter, "illegal alien" means an**
9 **individual:**

10 (1) **who is not a citizen of the United States; and**

11 (2) **who:**

12 (A) **entered the United States in violation of federal law;**

13 (B) **legally entered the United States but does not have the**
14 **right to be employed in the United States; or**

15 (C) **legally entered the United States subject to a time limit**
16 **but has remained illegally in the United States after**
17 **expiration of the time limit.**

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1 Sec. 3. (a) As used in this chapter, "person" means an
2 individual, a corporation, a limited liability company, a
3 partnership, or another legal entity.

4 (b) The term does not include a nonprofit organization that is
5 exempt from federal taxation under Section 501(c)(3) of the
6 Internal Revenue Code.

7 Sec. 4. As used in this chapter, "political subdivision" has the
8 meaning set forth in IC 36-1-2-13.

9 Sec. 5. As used in this chapter, "public contract for services"
10 means any type of agreement, regardless of what the agreement is
11 called, between a state agency or a political subdivision and a
12 contractor for the procurement of services.

13 Sec. 6. As used in this chapter, "state agency" has the meaning
14 set forth in IC 4-6-3-1.

15 Sec. 7. (a) A person who hires or employs an individual shall
16 verify the individual's Social Security number using the Social
17 Security Number Verification System in accordance with the rules
18 established by the United States Social Security Administration.

19 (b) A person who hires an individual shall not continue to
20 employ the individual after learning that the individual is an illegal
21 alien.

22 Sec. 8. (a) The following may bring a civil action against a
23 person who hires or employs an illegal alien:

24 (1) An individual who loses the individual's job as a result of
25 the person's hiring or employing of an illegal alien.

26 (2) A person who loses a contract to the person who hires or
27 employs an illegal alien.

28 (b) It is a defense to an action brought under subsection (a) that
29 the person against whom the action is brought verified the Social
30 Security number of the illegal alien under section 7(a) of this
31 chapter.

32 Sec. 9. (a) Except as provided in subsection (b), if a contractor
33 hires or employs an illegal alien, any public contract for services
34 with that contractor is void.

35 (b) If a contractor hires or employs an illegal alien but the state
36 or political subdivision (whichever the contractor has a public
37 contract for services with) determines that voiding the public
38 contract for services under subsection (a) would be detrimental to
39 the public interest or public property, the state or political
40 subdivision may allow the public contract for services to remain in
41 effect until the state or political subdivision hires a new contractor.

42 Sec. 10. If a person has hired or employed an illegal alien in the

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previous five (5) years, as determined in a civil action brought under section 8 of this chapter, the person is not eligible for any state or local economic development incentives (as determined by the attorney general), including the following:

- (1) A state tax liability credit under IC 6-3.1.
- (2) A property tax deduction under IC 6-1.1-12.1 or IC 6-1.1-12.4.
- (3) An incentive or other benefit available under IC 5-28-15 (enterprise zones).
- (4) A loan, loan guarantee, grant, distribution, contract payment, incentive, or any other benefit from or payment of expenses by the Indiana finance authority, the Indiana economic development corporation, or any other state agency or body corporate and politic.
- (5) An incentive or other benefit under any of the following tax increment finance statutes:
 - (A) IC 8-22-3.5 (airport development zones).
 - (B) IC 36-7-14 (redevelopment commissions).
 - (C) IC 36-7-14.5 (redevelopment authorities).
 - (D) IC 36-7-15.1 (redevelopment of areas in Marion County).
 - (E) IC 36-7-30 (military base reuse authorities).

Sec. 11. A provision of this chapter that violates federal law is void.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Veterans Affairs and Public Safety, to which was referred House Bill 1253, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 4 and 5, begin a new paragraph and insert:

"Sec. 1. As used in this chapter, "contractor" means a person who has a public contract for services with a state agency or political subdivision."

Page 1, line 5, delete "1." and insert "2."

Page 1, line 15, delete "2." and insert "3."

Page 2, delete lines 4 through 14, begin a new paragraph and insert:

"Sec. 4. As used in this chapter, "political subdivision" has the meaning set forth in IC 36-1-2-13.

Sec. 5. As used in this chapter, "public contract for services" means any type of agreement, regardless of what the agreement is called, between a state agency or a political subdivision and a contractor for the procurement of services.

Sec. 6. As used in this chapter, "state agency" has the meaning set forth in IC 4-6-3-1.

Sec. 7. (a) A person who hires or employs an individual shall verify the individual's Social Security number using the Social Security Number Verification System in accordance with the rules established by the United States Social Security Administration.

(b) A person who hires an individual shall not continue to employ the individual after learning that the individual is an illegal alien.

Sec. 8. (a) The following may bring a civil action against a person who hires or employs an illegal alien:

(1) An individual who loses the individual's job as a result of the person's hiring or employing of an illegal alien.

(2) A person who loses a contract to the person who hires or employs an illegal alien.

(b) It is a defense to an action brought under subsection (a) that the person against whom the action is brought verified the Social Security number of the illegal alien under section 7(a) of this chapter.

Sec. 9. (a) Except as provided in subsection (b), if a contractor hires or employs an illegal alien, any public contract for services with that contractor is void.

(b) If a contractor hires or employs an illegal alien but the state or political subdivision (whichever the contractor has a public

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contract for services with) determines that voiding the public contract for services under subsection (a) would be detrimental to the public interest or public property, the state or political subdivision may allow the public contract for services to remain in effect until the state or political subdivision hires a new contractor."

Page 2, line 15, delete "4." and insert "10."

Page 2, line 15, delete "penalty under section 2(b) of this chapter has been" and insert **"person has hired or employed an illegal alien in the previous five (5) years, as determined in a civil action brought under section 8 of this chapter,"**.

Page 2, line 16, delete "imposed against a person in the previous five (5) years,".

Page 2, after line 37, begin a new paragraph and insert:

"Sec. 11. A provision of this chapter that violates federal law is void."

and when so amended that said bill do pass.

(Reference is to HB 1253 as introduced.)

TINCHER, Chair

Committee Vote: yeas 8, nays 3.

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